

# Bergh Apton Parish Council

Internal Audit Report

For Parish Council

Financial Year 2025/2026

Including Explanatory Notes for Annual Governance & Accountability  
Return  
(where a 'no' has been marked)

Prepared by Tina Newby

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I have completed an internal audit of the accounts for xxx Council for the year ending 2025-2026

My findings are detailed below using the tests provided in the **Practitioners' Guide 2025**

**I would like to thank the Clerk/RFO for providing me with all the information required for the Internal Audit.**

<b>Total Receipts</b>	<b>£8,349.27</b>
<b>Total Payments</b>	<b>£11,592.32</b>
<b>Total Reserves</b>	<b>£7,410.57</b>
<b>Precept 2024/2025</b>	<b>£6,283.00</b>

## Internal Audit Report 2025-2026

<https://berghapton.org.uk/pc/>

<b>A    Appropriate accounting records have been properly kept throughout the year. And Periodic bank account reconciliations were properly carried out during the year.</b>			
	<i>Test</i>	<i>Response</i>	<i>Notes</i>
	Ensure the correct roll forward of the prior year cashbook balances to the new financial year	Yes	Balance at 31/3/25 £11,380.14
	Check a sample of financial transactions in cashbooks to bank statements, etc, the sample size dependent on the size of the authority and nature of accounting records maintained	Yes	Checked all
	Ensure that bank reconciliations are prepared routinely, are subject to independent scrutiny and sign-off by members	Yes	Bank reconciliations signed off at every meeting.
	Verify the accuracy of the year-end bank reconciliation detail and ensure accurate disclosure of the combined cash and bank balances in the AGAR, section 2, line 8.	Yes	Closure balance £7,410.57
	Where the authority has bank balances in excess of £100,000 it has an appropriate investment strategy.	N/a	

<b>B This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT appropriately accounted for.</b>			
	Review the procedures in place for acquisition of formal tenders and quotes, ensuring they are in line with the SOs and FRs which should be based on the latest version	No	They are not the same. Please update FRs to SOs
	Ensure that consistent values are in place for the acquisition of formal tenders between SOs and FRs (frequently different limits are recorded in two documents)	No	The Procurement Thresholds should mirror the same in SOs and FRs. I cannot see it listed in the Financial Regulators. No tenders.
	Review the procedure for receipts of invoices, agreement of invoice detail and confirmation of goods/services delivery and approval for payment: ideally, a suitably designed certification stamp should be in place providing for evidencing of these checks and payment authorisation	Yes	
Select a sample of payments made from the bank account(s), for example by choosing a bank statement for a particular month. The sample size selected should be sufficient to have a reasonable view of the council's practices. Where possible all transactions of an abnormally high value for the Council should also be subject to detailed review.			
	Check that there is effective segregation between the writing of cheques of the setting up of online payments, and physical release of payments.	Yes	
	Check that VAT reclaims are prepared and submitted in a timely manner in line with the underlying records and in accordance with current HMRC requirements	Yes	VAT reclaim 11 months in £699.07
	Where a debit/credit cards are in use, establish the total monthly and individual transaction limits and ensure appropriate controls over physical security and usage of the cards are in place	n/a	No debit card in use

### Recommendation 1

I understand that you are reviewing the Standing Orders and Financial Regulations, but please make sure that both have the same Procurement amount for contracts. Please make sure you have the correct version.

<b>C This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.</b>			
	Ensure that authorities have prepared, and formally adopted, at least one annually, an appropriate and comprehensive register of assessed risks, both regular and ad hoc.	Yes	Reviewed in May 2025
	Ensure that appropriate levels of insurance cover are in place for land, buildings, public, employers' and hirers' (where applicable) liability, fidelity/employees (including Councillors) liability, business interruption and cyber security	No	No full insurance policy so cannot see detailed liabilities etc. I understand this is a long term contract to June 2026.
	Ensure that appropriate arrangements are in place for monitoring play areas, open spaces and sports pitches: such reviews should be undertaken by appropriately qualified external inspectors or, if by officers or members, that they have received the appropriate training and accreditation	Yes	
	Ensure that appropriate levels of insurance cover are in place for land, buildings, public, employers' and hirers' (where applicable) liability, fidelity / employees (including councillors) liability, business interruption and cyber security	Yes	
	Review the effectiveness of internal control carried out by the authority	Yes	

## **Recommendation 2**

Please make sure in future you provide the breakdown of the Employers' Liability, Public Liability and Fidelity Guarantee.

<b>D</b>	<b>The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.</b>		
	Ensure that the full Authority, not a committee, has considered, approved and adopted the annual precept for the coming year in accordance with the required parent Authority timetable	Yes	See below
	Ensure that current year budget reports are prepared and submitted to Authority/Committees periodically during the year with appropriate commentary on any significant variances	Yes	Evidenced 6283.00
	Review the budget performance either during the year or at financial year-end seeking explanations for any significant or unanticipated variances	Yes	Reviewed regularly
	Ensure that the Authority has considered the establishment of specific earmarked reserves and, ideally, reviews them annually as part of the budget assessment process	Yes	Itemised at year end
	Ensure that the precept received in accounts matches the prior year submission form to the relevant authority and the <u>public record of precepted amounts</u>	Yes	Evidenced

### Recommendation 3

The minutes should detail the increase in the budget needed, total budget. Then the increase in the Precept needed for the budget. Itemise the increase in the Precept and the effect on Band D premises for the year.

<b>E</b>	<b>Expected income was fully received based on correct prices, properly recorded and promptly banked; and VAT appropriately accounted for.</b>		
	Review 'aged debtor' listings to ensure appropriate follow up action is in place	Yes	Approved annually
	Allotments: ensure that appropriate signed tenancy agreements exist, that an appropriate register of tenants is maintained identifying, that debtors are monitored.	n/a	No allotments
	Burials: ensure that a formal burial register is maintained that it is up to date and that a sample of interments and memorials are appropriately evidenced, that fees have been charged at the correct approved rate and been recovered within a reasonable time (Authorities should also acquire and retain copies of Burial/Cremation certificates)	n/a	No burials
	Hall hire: ensure that an effective diary system for bookings is in place identifying the hirer, hire times and ideally cross-referenced to invoices raised	n/a	No control of hall hires
	Leases: ensure that leases are reviewed in a timely manner in accordance with the terms of the lease and rents similarly reviewed appropriately at the due time	n/a	No leases in use
	Other variable income streams: ensure that appropriate control procedures and documentation are in existence to provide a clear audit trail through to invoicing and recovery of all such income	n/a	No additional income streams
	Where amounts are receivable on set dates during the year, ensure that an appropriate control record is maintained duly identifying the date(s) on which income is due and actually received/banked	n/a	

<b>F</b>	<b>Petty Cash payments were properly supported by receipts, all petty cash expenditure was approved, and VAT appropriately accounted for</b>		
	A number of authorities are now running down and closing their petty cash accounts and using debit/credit cards for ad hoc purchases. Consequently, a "Not covered" response is frequently required in this area	n/a	No petty Cash
	Review the systems in place for controlling any petty cash and also cash floats (used for bar, catering, etc)	n/a	
	Check a sample of transactions during the financial year to ensure appropriate supporting documentation is held	n/a	
	Review the existence of evidenced periodic independent verification of the petty cash and any other floats held	n/a	
	Ensure that VAT is identified wherever incurred and appropriate	n/a	
	Physically check the petty cash and other cash floats held	n/a	
	Where bar or catering facilities are in place, ensure that appropriate cashing-up procedures are in place reconciling the physical cash takings to the till "Z" total readings	n/aq	

<b>G</b>	<b>Salaries to employees and allowances to members were paid in accordance with the authority's approvals, and PAYE and NI requirements were properly applied.</b>		
	Ensure that, for <u>all staff</u> , a formal employment contract is in place together with a confirmatory letter setting out any changes to the contract	Yes	Only one staff, the Clerk
	Ensure that appropriate procedures are in place for the payment of members allowances and deductions of any tax liability	Yes	Payroll Services are in place
	Ensure that, for a sample of staff salaries, gross pay due is calculated in accordance with the approved spinal point on the <u>NJC</u> scales or hourly rate, if off-scale, and also with contracted hours	Yes	Evidenced. P60 received.
	Ensure that appropriate tax codes are being applied to each employee	Yes	Evidenced
	Where <u>free</u> or <u>paid for</u> software is used, ensure that it is up to date.	Yes	Using payroll services
	For a test sample of employees, ensure that tax is calculated appropriately	Yes	As payslip
	Check the correct treatment of Pension contributions	n/a	No pension
	For NI, ensure that the correct deduction and employer's contributions are applied. NB: The <u>employers' allowance</u> is not available to councils but may be used by other authorities	Yes	Evidenced
	Ensure that the correct employers' pension percentage contribution is being applied	n/a	No pension
	Ensure that for the test sample, the correct net pay is paid to the employee with tax, NI and pension contributions correctly paid to the respective agencies.	Yes	Evidenced

H	<b>Asset and investment registers were complete and accurate and properly maintained.</b> <b>This section/assurance should be extended to include loans to or by the authority</b>		
	<p>Tangible Fixed Assets:</p> <ul style="list-style-type: none"> <li>• Ensure that the Authority is maintaining a formal asset register and updating it routinely to record new assets at historic cost price, net of VAT and removing any disposed of / no longer serviceable assets</li> <li>• Physically verifying the existence and condition of high value, high risk assets may be appropriate</li> <li>• Ideally, the register should identify for each asset the purchase cost and, if practicable, the replacement/insured cost, the latter being updated annually and used to assist in the forward planning for asset replacement</li> <li>• Additions and disposals records should allow tracking from the prior year to the current</li> <li>• Ensure that the asset value to be reported in the AGAR at section 2, line 9 equates to the prior year reported value, adjusted for the nominal value of any new acquisitions and /or disposals</li> <li>• Compare the asset register with the insurance schedule to ensure that all assets are recorded appropriately insured or “self-insured” by the Authority.</li> </ul>	Yes	All appear to be in order Asset Register agreed in May annually.
	<p>Fixed Assets Investments:</p> <ul style="list-style-type: none"> <li>• Ensure that all long-term investments (ie those for more than 12-month terms) are covered by the <u>Investment Strategy</u> and reported as assets in the <u>AGAR at section 2 line 9</u></li> </ul>	n/a	
	<p>Borrowing and Lending:</p> <ul style="list-style-type: none"> <li>• Ensure that the authority has sought and obtained appropriate <u>DMO approval</u> for all loans acquired</li> <li>• Ensured that the authority has accounted for the loan appropriately (ie recorded in full value of the loan. Any arrangement fee should be regarded as an admin expense) in the year of receipt</li> <li>• Ensure that the combined principal loan repayment and interest for the</li> </ul>	n/a	No lending

	<p>year is correctly recorded in the AGAR at section 2, line 5.</p> <ul style="list-style-type: none"> <li>• Ensure that the outstanding loan liability as at 31<sup>st</sup> March each year is correctly recorded in the AGAR at section 2, line 10 (value should be verified via the <a href="#">DMO website</a>)</li> <li>• Where the Authority has issued loans to local bodies, they should ideally seek signed indemnities from the recipient body, or their members, agreeing to underwrite the loan debit</li> </ul>		
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<b>I</b>	<b>Periodic bank account reconciliations were properly carried out during the year.</b>		
	Verify that bank reconciliations are prepared regularly, for all Council bank accounts.	Yes	At every meeting
	Verify that bank reconciliations are subject to independent review by members and that they are signed and dated as evidence of this review.	Yes	
	Verify that the bank statements are periodically independently verified to the balances stated in bank reconciliations.	Yes	
	Verify the accuracy of the year-end bank reconciliation and agree it to supporting bank statements.	Yes	
	Review and clarify the nature of any uncleared transactions.	Yes	
	Verify that the Council has in place robust procedures for the physical verification of any cash floats or deposits held and that any balances held as at the 31 <sup>st</sup> March have been subject to independent review and confirmation.	n/a	No cash floats

<b>J</b>	<b>Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cashbook, supported by an adequate audit trail from underlying records and, where appropriate, debtors and creditors were properly recorded.</b>		
	<i>Note: this checklist is intended for use only by internal auditors of councils who prepare their accounts on a Receipts and Payments basis, consequently there is no guidance given here in respect of testing of debtors, creditors and accruals. Detailed guidance on the Accounting Statements can be found in Section 2 of The Practitioner's Guide and Internal Auditors should refer to that for specific guidance.</i>		
	<p>Whilst IAs are not required to verify the accuracy of detail to be disclosed in the AGAR, this assertion, together with the expectation of most Authorities, effectively requires IAs to ensure that the financial detailed reported at <u>section 2 of the AGAR</u> reflects the detail in the accounting records maintained for the financial year. Consequently, IAs should</p> <ul style="list-style-type: none"> <li>• Ensure that, where annual turnover exceeds £200,000 appropriate records are maintained throughout the year in an Income and Expenditure basis to facilitate budget reporting in that vein</li> <li>• Ensure that appropriate accounting arrangements are in place to account for debtors and creditors during the year and at the financial year-end</li> </ul>	Yes	Payments and Receipts

<b>K</b>	<b>If the authority certified itself as exempt from a limited assurance review in the prior year, it met the exemption criteria and correctly declared itself exempt.</b>		
	<p>IAs should ensure that, <u>all relevant criteria are met</u> (receipts and payments each totalled less than £25,000)</p> <ul style="list-style-type: none"> <li>• The correct exemption certificate was prepared and minuted in accordance with the statutory submission deadline</li> <li>• That it has been published, together with all required information on the authority's website and noticeboards.</li> </ul>	Yes	Exempt from a limited assurance review

<b>L</b>	<b>The authority publishes information on a free to access website / web page, up to date at the time of the internal audit in accordance with any relevant transparency code requirements</b>		
<i>The requirement here is for Councils with income or expenditure below £25,000 to publish information as set out in <a href="#">The Transparency Code for Smaller Authorities</a></i>			
	<p>Verify that the Council has published, for the prior financial year, all the information as required by the Transparency Code as set out in Annex A of the code.</p> <p>All items of expenditure above £100</p> <ul style="list-style-type: none"> <li>○ End of year accounts</li> <li>○ Annual governance statement</li> <li>○ Internal audit report</li> <li>○ List of councillor or member responsibilities</li> <li>○ Location of public land and building assets</li> <li>○ Minutes, agendas and papers of formal meetings</li> </ul>	Yes	Evidenced on the website  See notes
<i>The requirement here is for Councils with income or expenditure above £200,000 to publish information as set out in <a href="#">The Transparency Code for Smaller Authorities</a></i>			
	<p>Verify that the Council has published, for the prior financial year, all the information as required by the Transparency Code as set out in Annex A of the code.</p> <p>All items of expenditure above £500</p> <ul style="list-style-type: none"> <li>○ End of year accounts</li> <li>○ Annual governance statement</li> <li>○ Internal audit report</li> <li>○ List of councillor or member responsibilities</li> <li>○ Location of public land and building assets</li> <li>○ Minutes, agendas and papers of formal meetings</li> </ul>	n/a	
<i>The requirement here is for Councils with income or expenditure below £200,000, but £25,000 to publish information as set out in <a href="#">The Transparency Code for Smaller Authorities</a></i>			
	There is no requirement		

#### **Recommendation 4**

Please Make sure the the items below are uploaded to the website annually

All items of expenditure above £100

- End of year accounts
- Annual governance statement
- Internal audit report

- List of councillor or member responsibilities
- Location of public land and building assets

### Observation 1

Please delete one of the finance menus, there is duplication of data and can be very confusing.

<b>M</b>	<b>The authority, during the previous year, correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations.</b>		
	Verify that the Council published, including on its website, the Notice for the Period for the Exercise of Public Rights	Yes	<a href="https://berghapton.org.uk/category/parish-council/pc-statutory-papers/">https://berghapton.org.uk/category/parish-council/pc-statutory-papers/</a>
	Verify that the 'Announcement Date' was a date after the Council approved the Annual Governance Statement and Accounting Statement.	No	Minutes were dated 7 <sup>th</sup> May 2025, but Announcement Date is 2 <sup>nd</sup> June. And approved at 7 <sup>th</sup> May 2025
	Verify that the 'Announcement Date' was the working day prior to the Commencement Date (they cannot be the same date)	Yes	Default dates used: 3 <sup>rd</sup> June to 14 <sup>th</sup> July 2025
	Verify that the period set was for <b>exactly</b> 30 working days.	Yes	Default dates used
	Verify that the period set included the first 10 working days in July	Yes	
	The Internal Auditor should also review whether the Council confirmed in Minutes the dates set (this is not a statutory requirement, but it is accepted as audit evidence that the Council complied with the publication requirements)	Yes	Certificate of Exemption, Annual Governance Statement, Accounting Statement were reviewed in the correct order.

### Recommendation 5

Please make sure you review and minute the detailed Internal Audit Report Annually. The AIAR needs to be reviewed and minuted too.

<b>N The authority complied with the publication requirements for the prior year AGAR.</b>			
	Verify that the Council published the Annual Governance Statement on its website	Yes	
	Verify that the Council published the Accounting Statements on its website	Yes	
	Verify that the Council published the External Auditor report on its website	n/a	Exempt Certificate
	Verify that the Council published the Notice of Conclusion of Audit on its website.	n/a	Exempt Certificate

### **Additional changes for 2025-2026**

<b>AGS Assertion 10 – Digital and data compliance</b>			
5.117	Data protection and security – Using authority-owned email accounts ensures that sensitive information is handed in a controlled environment with appropriate security measures. This aligns with GDPR principles such as data minimisation, integrity and confidentiality	No	There is no evidence of emails .gov being used
5.118	Accountability and transparency – authority-owned email accounts provide a clear record of communications, which is essential for transparency and accountability. This helps in maintaining an audit trail and ensures all authority-related communications are accessible for review if needed	No	See notes
5.119	Consistency, trust and professionalism – it is best practice to use .gov.uk domains for smaller authorities' emails and websites (excluding parish meetings). This helps maintain a consistent and professional image for the authority. This is increasingly important as cyber scams are on the rise.	No	See notes
5.120	Having authority-owned email accounts also make Data Subject Access and Freedom of Information Requests easier	Yes	

	to manage.		
5.121	Compliance with policies – All authorities should have an IT Policy that mandates the use of authority-owned email accounts for official business. These policies are designed to ensure that all communications are conducted in a manner that is consistent with the authority’s standards and legal obligations.	Yes	
5.122	IT Policies – An IT Policy prevents misunderstanding when using IT equipment for authority business and makes sure that there can be no excuses for anyone in your authority not protecting their data or working safely.	Yes	
5.123	Website accessibility – Where a small authority is subject to the requirements of website accessibility it does not have to buy a new website to comply accessibility law if it places a disproportionate burden on the authority. At a minimum all authorities’ websites must include an accessibility statement on their website and keep it under regular review. This statement should include reasons for not meeting accessibility requirements, ways to source alternative copies of non-accessible documents and a point of contact.	n/a	Internal Auditor has not checked this as there is no .gov website
5.124	Data Protection – To ensure compliance with data protection regulations, smaller authorities must	Yes	
	<ul style="list-style-type: none"> <li>• Appoint a Data Protection officer to oversee data protection and ensure compliance with GDPR</li> <li>• Conduct regular data audits to identify what personal data is held, how it is used and make sure it is processed lawfully.</li> <li>• Implement a Data Protection policy on data handling, storage and sharing.</li> <li>• Provide regular training to ensure all staff and members are trained on data protection principles and practices.</li> <li>• Secure data using appropriate technical and organisation</li> </ul>	Yes	

	measures to protect personal data from breaches.		
5.125	The Freedom of Information Act places duty on every public authority to adopt and maintain a publication scheme which details the publication of information by authority and is approved by the Information Commissioner; adoptions of the Information Commissioners Office Model Publications scheme meet this requirement.	Yes	
5.126	In addition to this the Transparency Code for Smaller Authorities requires parish councils with a turnover not exceeding £25,000 to publish certain information set out in the code. This enables local electors and local taxpayers to access relevant information about the authority's accounts and governance	Yes	
5.127	Smaller Authorities with a total turnover or expenditure greater than £25,000 should as best practice comply with the Local Government Transparency Code 2015	n/a	Under £25,000
5.128	Monitoring an authority's compliance with the relevant transparency code is not part of the external auditor's limited assurance review of the AGAR. It would however be expected that Internal Auditors would review this control area.	Yes	

### Recommendation 6

The Clerks or Parish Councillors email addresses have not been moved to .gov.uk address. Could you tell me when you are planning to do this?

### Recommendation 7

The Parish Council website has not moved over to a .gov domain. This should reflect the domain that the emails will be using. When is this planned to be done?

### Recommendation 8

The Internal Auditor has not checked for the accessibility, due to this being an old website.

O Trust funds (including charitable) - the Council met its responsibilities as a trustee			
	<ul style="list-style-type: none"> <li>Confirm that all charities of which the council is a Trustee are up to date with CC filing requirements</li> <li>That the council is the sole trustee on the <u>Charity Commission register</u></li> <li>That the council is acting in</li> </ul>	n/a	Parish Council is not a trustee

	<p>accordance with the <u>Trust deed</u></p> <ul style="list-style-type: none"> <li>• That the charity meetings and accounts are recorded separately from those of the council</li> <li>• Review the level and activity of the charity and where a risk-based approach suggests such, review the <u>Independent Examiners</u> report</li> </ul>	
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Internal Control – additional	Test	Observations
Payment controls	Is s137 expenditure separately recorded and within statutory limits	No evidence of s137 as no complete cashbook sent
Risk management arrangements	Does a review of the minutes identify any unusual financial activity?	No unusual activities
	Does the minutes record the council carrying out an annual risk assessment or review of their risk management.	Yes
	ICO certificate and in date	Yes Expires May 2026
Procedural	Is eligibility for the General Power of Competence properly evidenced?	No
	Have points raised on the last Internal Audit report been considered by council and actioned?	No
	Has last year's minutes recorded the appointment of an Internal Auditor and agreed the costings	I see can no evidence that this has been done.
Transparency: For smaller councils with turnover under £25,000 and over £200,000	Minutes for whole year on website?	Yes
	Agendas for whole year on website?	Yes
	Electors' rights advertised on website?	Yes
	Councillors' responsibilities detailed on website?	Yes
	Last financial year's Annual Return on website? Up to 5 years historic returns are needed	Yes
	Land and building assets details on website? (Description, location, owner/leaseholder, date and cost of acquisition and present use)	Yes
General Data Protection Regulation (compliance from	Has the Council adopted a Data Protection Policy?	Yes

25/5/2018) and UK GDPR 2018	Has the Council put in place Privacy Notices?	No
	Is there evidence of the policies on the website	Yes
	Has Data Protection been built into the general procedures, processes and policies of the Council?	Yes
Emails	Has the Councils adopted the gov.uk emails	No
	Does the Clerk have an generic emails address .gov.uk	

### Recommendation 9

The cashbook provided is just the main totals with VAT. No separate budget columns available. Cannot check if the powers are listed or s137 column for donations.

### Recommendation 10

As mentioned before, please make sure the detailed internal audit report and the Annual Internal Audit Report are discussed and minuted at the meetings.

### Recommendation 11

I can see no evidence of the Internal Auditor being appointed and the charges agreed. Please, correct me if I am wrong.

### Recommendation 12

I cannot see a privacy notice on the website. This is needed as part of the General Data Protection Regulation.

Renata Thank you for providing the accounts again. I can see an improvement every year. Well done.

Signed: *Tina Newby*

Date: 14<sup>th</sup> April 2026